

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF  
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN  
OF THE CITY OF MIAMI BEACH  
January 12, 2010

Chairman Boyd called the meeting to order at 10:05 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	Hilda Fernandez
Jorge Gomez	Warren Green	
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent - Reinaldo Horday

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Gerard Witowski	Disability applicant
Anna Witowski	Employee
Richard Sicking	Attorney for Mr. Witowski

CONSENT AGENDA

A motion was made by Mr. McKinnon duly seconded by Mr. Sinkes, and unanimously

RESOLVED That the Consent Agenda be approved as presented.

CONSENT AGENDA

C-1 The Minutes of the December 12, 2009 Board Meeting were approved as presented.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>	<u>APPOINTMENT</u>
Wilfredo Sanchez	19478	MSW II	AFSCME	06/29/2009	12/29/2009
Hermes Diaz	19514	Civil Eng II	UNC	12/14/2009	
Leonor Hernandez	19516	Office Assoc. V	UNC	12/07/2009	
Emoe De Zayas	19522	Office Assoc. IV	UNC	12/28/2009	

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
William Smith	2/1/10	Vested Service Ret.	\$3,140.90

PENSION BOARD MINUTES

January 12, 2010

Page 2

C-4 New Pensioner Allowances were approved as follows - (None)

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Cesar Carrasco	05/13/2009	\$2,196.17	Resignation
Kimberly Lake	05/26/2009	\$462.78	Resignation
Arturo Martin	12/08/2009	\$14,187.89	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows-

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>LEAVE AMOUNT</u>
Euline Moses	12/17/2009	0.50	0	\$ 1,881.49	
Lenett Holbrook	12/15/2009	0.75	153.75	\$ -	\$ 5,248.59
Robert Carroll	01/17/2010	0.51	87.34	\$ -	\$ 1,274.42

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>NAME</u>	<u>PRIVATE SECTOR</u>	<u>YCS PURCHASED</u>
Paul Iporre	X	2.0
Elizabeth Jauregui	X	2.0

C-9 DROP applicants were approved as follows -

<u>Name</u>	<u>Effective Retirement</u>	<u>Estimated Monthly Benefit Calculation</u>	<u>Last DROP Deposit</u>
Atanacios Lamprou	01/01/2010	\$1,344.51	12/01/2012
Mercedes Lamazares	01/01/2010	\$5,747.76	12/01/2012

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

<u>Name</u>	<u>Date of Check</u>	<u>Voucher</u>	<u>Check Amount</u>	<u>IRS Tax Payment</u>	<u>Tax Payment Date</u>
Patricia Jaramillo	12/11/2009	111606	\$ 6,756.26	\$ 1,689.06	12/14/2009
Arnica Perez	12/14/2009	111607	\$ 3,888.81	\$ 972.20	12/21/2009
Rhonda Scott	12/14/2009	111608	\$ 1,586.81	\$ 396.70	12/21/2009
Gary Cloutier	12/14/2009	111620	\$ 2,288.75	\$ 572.19	12/21/2009

C-11 The Financial Reports were approved as presented.

# PENSION BOARD MINUTES

January 12, 2010

Page 3

## C-12 Requests for Payment were approved as presented.

Steve Cypen- Legal Services

Legal services rendered for the month of January \$ 4,500.00

Holland & Knight- Legal Services

Compliance review per inv.# 2466967 \$ 50.00

Joan Wall- Bookkeeping

services rendered for the month of January \$ 300.00

Milliman, USA- Fund Consultant

For the months of Oct. -Dec. 2009 \$ 15,100.00

Wellington Management Co.- Investment Mgmnt. Fees

For Qtr. Ending 9/30/09 per inv.#267579 \$ 40,315.77

Goldstein Schechter Koch- Auditor

Progress bill for audit services FY 2009 \$ 4,000.00

Gabriel, Roeder, Smith & Co.- Actuary

Actuarial Valuation Report preparation \$ 1,914.00

SBS Miami Lakes- copier

For the month of January 2010 Per inv.# 140437716 \$ 228.56

CMB Central Services- Postage & Printing

For the month of Nov. per inv.# 00014642 \$ 1,395.48

FPPTA - Conf.& edu.

Reg. fees for Trustees School - Horday, Chandler \$ 800.00

IDD- Storage

Monthly storage fees per inv.# 046543 \$ 42.38

Echo Chandler- Conf. & Edu.

Tuition Assistance Reimbursement \$ 171.00

Hyatt Regency- Conf. & Edu.

Hotel reso. For Reinaldo Horday FPPTA Feb. 2010 \$ 438.90

IOD Incorporated- Medical Board

Request for medical records for Wayne Nowell \$ 18.51

Reinaldo Horday- Conf. & Edu.

Travel exp. Reimbursement for FPPTA Trustees School \$ 155.20

Huckleberry Notary Bonding, Inc.- Conf. Edu.

Notary renewal for Echo Chandler & Robert Martinez \$ 228.88

Office Depot- office supplies

Per inv.# 500195446001,501704445001 \$ 168.83

Rick Rivera- capital equipment

Registration for MBERP.com domain name \$ 10.87

Georgia Dept. of Human Resources- misc. exp.

Request for death certificate for Herschel Ealey \$ 10.00

US Postmaster- Printing & Postage

Postage charges from Central Services for Newsltr. \$ 440.00

US Postmaster- Printing & Postage

Postage charges from Central Services for paystubs \$ 455.06

Rick Rivera- Expense reimb. for Vivendi Class action

For NYC trip for closing arguments \$ 375.47

CMB Property Management- maintenance fees

For the month of November Per. Inv.# 00014664 \$ 2,366.61

REGULAR AGENDA

R-1 Deferred Items - (None)

R-2 New Items

- A. Informal Disability hearing for employee Gerard Witowski - The Board reviewed Mr. Witowski's disability application. Mr. Sicking made a very brief presentation.

A motion was made by Mr. McKinnon, duly seconded by Mr. Sinkes, and unanimously

RESOLVED That employee Gerard Witowski be granted a service connected disability on the basis that the disability is permanent, total and service connected.

- B. Employee transfers between Pension Plans - The Board reviewed a MEMO from Celia Locke, Executive Director of the Miami Beach Police & Fire Pension Plan, regarding an equitable method for transfers between the Plans. Mr. Cypen explained that currently the Miami Beach Employees' Retirement Plan (MBERP) transfers an employee's accumulated contributions plus interest. He said that the MBERP Ordinance does not address transfers to the Miami Beach Police & Fire Pension Plan.

Chairman Boyd stated that he would like the Board's Actuary, Steve Palmquist from Gabriel Roeder Smith, to comment on this matter before deciding on a transfer policy if any. The Administrator said that Mr. Palmquist was scheduled to present the October 1<sup>st</sup> 2009 actuarial valuation at the March 9, 2010 pension board meeting. The Administrator said that he would notify the Actuary on this matter as well as all interested parties.

A motion was made by Mr. McKinnon, duly seconded by Mr. Cruz, and unanimously

RESOLVED That no action be taken at this time and that the item, 'equitable method for employee transfers between the Miami Beach Employees' Retirement Plan and the Miami Beach Police & Fire Plan' be deferred until the Fund's Actuary, Steve Palmquist, advises the Board of the actuarial implications regarding this matter.

PENSION BOARD MINUTES

January 12, 2010

Page 5

- C. Rhumblin S & P ADR Index MEMO from Milliman, Inc - The Board reviewed the MEMO from Bill Cottle regarding possibly investing in an ADR Index with Rhumblin. The Board decided to defer this matter until the February 2, 2010 Investment Meeting when both Mr. Cottle and a representative from Rhumblin would be in attendance.

A motion was made by Mr. McKinnon, duly seconded by Mr. Cruz, and unanimously

RESOLVED                      That the decision to invest in an ADR Index product be deferred until next month's Board & Investment Meeting held on February 2, 2010.

- D. State Street Lead Plaintiff status - Mr. Cypen provided the Board information regarding losses sustained by the Fund in connection with holding shares of State Street Corp. He said that estimated losses of the Fund were \$210,000. Mr. Cypen asked the Board if they would be interested in seeking lead plaintiff status in this case. A discussion ensued.

A motion was made by Mr. McKinnon, duly seconded by Mr. Sinkes, and unanimously

RESOLVED                      That the Administrator be authorized to seek lead plaintiff status on behalf of the Miami Beach Employees' Retirement Plan in connection with losses sustained in State Street Corporation securities held by the Plan between October 2006 and October 2009.

- E. Vivendi Class Action Trial update - Mr. Cypen updated the Board on the Vivendi Class Action trial. He said that the Administrator had attended the closing arguments last week and that the Jury was now in deliberation. He said that he would keep the Board updated if the Jury came back with a verdict.

## PENSION BOARD MINUTES

January 12, 2010

Page 6

- F. Hershale Ealey affidavit update - The Administrator provided the Board a letter from Joyce Davis, Mr. Ealey's daughter, outlining details of her intention to repay the Fund \$28,088.71. The Administrator said that Ms. Davis' proposal included assigning a \$5000 insurance policy and monthly payments of \$500 per month until paid-in-full. He said that he had begun the process of recuperating the notary fidelity bond of \$7,500. The Administrator was advised to collect the notary bond and the insurance proceeds before the Board entertains any monthly repayment arrangements with Ms. Davis.
- G. Annual Affidavit Procedures - The Administrator provided the Board the annual affidavit procedure the pension office follows each year. The Board recommended including a death check verification immediately preceding the April 1<sup>st</sup> first notice. The Board asked the Administrator to revise and bring back to the Board the annual affidavit procedures that included an annual death check verification.
- H. Pension Website Committee update - Ms. Walker and Ms. Fernandez updated the Board on the status of the pension website. A discussion ensued regarding that the pension office/conference room be equipped with Wi-Fi capabilities. Ms. Walker said that she would have a representative from IBM, the City's Wi-Fi provider, analyze which Wi-Fi node is the best option for the pension office as well as obtaining a price for a Wireless Application Protocol (WAP) in order to login wirelessly into the City's network .

### R-3 Other Business

- A. Administrator's Report - The Administrator stated that the Retiree Newsletter would be available for viewing on the pension website MBERP.com. He said that now would be the appropriate time to discontinue a hard copy of the monthly newsletter in order to reduce printing & postage costs. The Board recommended that a statement be placed in the next newsletter advising all retirees that the Retiree Newsletter will no longer be mailed unless specifically requested.

PENSION BOARD MINUTES

January 12, 2010

Page 7

The Administrator reported that there had been a clerical error in the pension office and several retiree payroll checks had been returned due to a confirmation wire sent in error. He said he would provide more details regarding possible bank fees incurred by retirees due to this error next month. The Administrator said that there were currently 86 retirees/pensioners that received checks out of 1010 retirees. He said that several municipalities in Florida made direct deposit a mandatory way of receiving a pension benefit. A discussion ensued. The Administrator was instructed to place the item 'mandatory direct deposit for retirees & pensioners' on next month's board agenda for discussion.

R-5 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Ms. Fernandez duly seconded by Ms. Walker and unanimously

RESOLVED                      That the meeting be adjourned. The meeting was adjourned at 11:45 a.m.

---

James Boyd, Chairman

---

Hilda Fernandez, Secretary